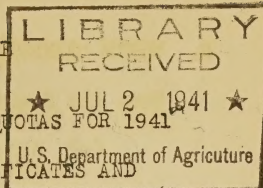


Issued May 28, 1941

UNITED STATES DEPARTMENT OF AGRICULTURE
 AGRICULTURAL ADJUSTMENT ADMINISTRATION



INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1941

PART II. ISSUING MARKETING CARDS AND CERTIFICATES AND
 FARM OPERATOR'S REPORTS

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A. GENERAL

Section 201 Applicability of instructions. Part II of these instructions outlines the procedure incident to the issuance of cotton marketing cards and certificates, and outlines the nature and use of certain forms, records, and files of the county committee in connection therewith. The instructions are concerned primarily with the duties of the county committee and the treasurer of the county committee. Unless otherwise designated, each form mentioned herein is a "Cotton" form and each reference herein to a section is to a section of these instructions.

Sec. 202 Designation of farm serial numbers. The farm serial number referred to in the regulations and these instructions for any farm shall be the serial number assigned to the farm for the purposes of the agricultural conservation program.

Sec. 203 Receiving, storing, and disposing of marketing quota forms. (a) Transmittal of forms on Form 452. All serially numbered forms will be consigned to the county committee by the State office of the Agricultural Adjustment Administration (herein referred to as the "State office") and each shipment thereof will be accompanied by the original and one copy of a letter of transmittal on Form 452. The treasurer of the county committee shall ascertain the correctness of each shipment and shall, in the case of serially numbered forms, compare the serial numbers of the forms with the serial numbers shown on Form 452 thereof. Upon receiving such forms the treasurer of the county committee should determine, as nearly as possible, whether the quantity received is sufficient to cover the immediate needs of the office of the county agricultural conservation committee (herein referred to as the "county office"). The original of Form 452 shall be signed by the treasurer of the county committee as a receipt for the forms transmitted therewith and, within five days from the date on which the forms were received, such receipt shall be forwarded to the State office.

(b) Storage of forms. Serially numbered forms shall be filed together and so arranged that they will be issued or used in consecutive serial number order and will be accessible to examination by any representative of the Secretary of Agriculture or the Agricultural Adjustment Administration. Other forms, especially those designed for use in succeeding marketing years, should be stored in such a manner that destruction and deterioration will be minimized and so arranged as to permit the supply at any time to be readily determined. It shall be the duty of the treasurer of the county committee to account for the disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the county office.

(c) Disposing of forms. No cotton marketing quota forms shall be disposed of until and unless it has been determined by the State office that the forms considered for disposal are not needed in other counties in the State and by the Regional Director that they are not needed in

other States. When it has been determined by the county committee, with the approval of a representative of the State office (herein referred to as the "auditor"), that the supplies of unused forms are excessive or that further use for the forms will not arise, the serially numbered forms shall be destroyed in the following manner: The auditor shall examine the forms, list them on Form 452, prepared in duplicate, witness the destruction of such forms, indicate such fact on the Form 452, transmit the original to the State office and deliver the copy to the treasurer of the county committee. Forms other than serially numbered forms may be destroyed or otherwise disposed of by the county committee, with the approval of the auditor. Any forms forwarded to another county office or to another State office at the direction of the State office shall be transmitted on Form 452 and the receipt for such forms shall be filed in the county office.

Sec. 204. Conditions under which marketing cards are issued. 1/
Cotton marketing cards are of two kinds; namely, white marketing cards and red marketing cards. The persons eligible to receive marketing cards are (1) producers and (2) persons who have on hand cotton produced by or for them in any prior year but who are not engaged as cotton producers during the current marketing year. A marketing card for a producer is issued with respect to a farm and, in the event a producer has an interest as a cotton producer in more than one farm, separate marketing cards are issued with respect to the different farms. A marketing card for a person other than the producer is issued with respect to the specific cotton which the person has on hand from a previous crop. A person other than a producer is eligible to receive only a red marketing card. The conditions under which white marketing cards are issued to producers and the conditions under which red marketing cards are issued to producers are mutually exclusive. The same producer is never eligible to receive marketing cards of both kinds. It may therefore be stated as a general rule that a producer who is not eligible to receive a white marketing card is eligible to receive only a red marketing card. The conditions under which white marketing cards shall not be issued to producers are as follows: 2/

1. No white marketing card shall be issued to the producers on an overplanted farm.
2. No white marketing card shall be issued to the producers on a farm in connection with which one or more producers have carry-over penalty cotton.

1/ The conditions under which marketing cards may be issued to farms on which Sea Island or American-Egyptian cotton is planted are contained in Sub-Part E hereof.

2/ A producer who would not otherwise be eligible to receive a white marketing card may be issued a white marketing card pursuant to the provisions of Sub-Part D hereof.

3. No white marketing card shall be issued to the producers on a farm on which no cotton is planted in 1941.

4. No white marketing card shall be issued to or for any producer with respect to any farm in the county in which he has an interest as a cotton producer if he has an interest in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton. However, unless conditions numbers 5 to 7 below are applicable, white marketing cards may be issued to or for producers other than the multiple farm producer on any underplanted farm in the county in connection with which no producer has carry-over penalty cotton although the multiple farm producer also has an interest therein.

5. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the county in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committee determines that the issuance of a red marketing card to or for all of the producers is necessary in order to enforce the provisions of the Act.

6. No white marketing card shall be issued to or for any producer with respect to any farm in the State in which he has an interest as a cotton producer if (i) he has an interest in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception number 4 above shall apply to him with respect to all farms in the State in which he has an interest.

7. No white marketing card shall be issued to or for any of the producers on an underplanted farm in the State in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception number 5 above shall apply with respect to all such farms in the State.

8. No white marketing card shall be issued to any producer if the county committee determines that the issuance of a red marketing card rather than the issuance of a white marketing card is necessary to enforce the provisions of the Act.

9. No white marketing card shall be issued to any producer on a new farm for which a cotton acreage allotment and normal yield per acre of lint cotton and marketing quota are not established because an application therefor was not made within the time limit prescribed.

10. No white marketing card shall be issued to the producers on a farm for which the acreage planted to cotton of the current crop cannot be measured.

Sec. 205 Measurement of farms. (a) Procedure for measuring farms. For the purpose of the cotton marketing quota provisions, each farm for which a cotton acreage allotment was established, or on which cotton was planted in the current year, or both, shall be measured in accordance with the established procedure of the Agricultural Adjustment Administration and a record of such measurements shall be kept among the records of the county office in accordance with the established procedure.

(b) Preparation of Form 418. The county committee shall execute in duplicate and file with the State committee for all overplanted farms in the county a written report on Form 418 prepared as follows:

1. In the spaces indicated enter the State and county code number, the sheet number, the total number of sheets in the report, the marketing year, the name of the county, and the name of the State.
2. Enter the information and data for each farm on a separate line or lines.
3. In column A enter the farm serial number.
4. In column B enter the name of the operator of the farm.
5. In column C enter the names of all other cotton producers on the farm. The name of each such producer shall be entered on a separate line, and the names of all cotton producers on the farm shall be entered on consecutive lines.
6. In column D enter the tilled acreage determined for the farm.
7. In column E enter the cotton acreage allotment established for the farm.
8. In column F enter the acreage planted to cotton on the farm.
9. The totals of columns D, E, and F, respectively, shall be entered on the last sheet of the report.
10. The report shall be examined by the county committee and, if found to be correct, the original and copy shall be dated and signed by a member of the committee on its behalf.

(c) Distribution of Form 418. The distribution of Form 418 shall be as follows:

1. The original shall be mailed to the State committee.
2. The copy shall be placed in a binder and kept as a permanent record in the county office.

(d) Revision in amount of cotton acreage allotment or report of measurement. If any revision is made in the amount of the cotton allotment for any farm or the report of the acreage planted to cotton is changed for any farm and the change or revision alters any figure previously reported on Form 418 or would result in classifying a farm previously reported as an underplanted farm as an overplanted farm, the change or revision shall be set forth in a letter to the State committee signed by a member of the county committee and a copy of the letter attached to Form 418 and the change or revision entered on the county office copy of Form 418. If there are numerous changes of the latter type, a revised Form 418 shall be prepared and distributed as indicated in paragraphs (b) and (c).

Sec. 206 Determination of carry-over cotton. There are two kinds of carry-over cotton; namely, carry-over penalty free cotton and carry-over penalty cotton. The year in which the carry-over cotton was produced is not determinative of its status as penalty or penalty free cotton. Its characteristics in that respect depend upon the following factors. An amount of cotton which the producer has on hand at the beginning of the marketing year which is equal to or not in excess of the amount by which his producer marketing quota for the preceding marketing year exceeded the amount of cotton actually marketed by him in that marketing year is carry-over penalty free cotton. Any amount of cotton which the producer has on hand at the beginning of the marketing year which is in excess of the carry-over penalty free cotton is carry-over penalty cotton. Any amount of the carry-over penalty cotton which, if marketed during the preceding marketing year, would have been marketed subject to a penalty rate lower than the penalty rate applicable to cotton of the current crop will, as provided in Part IV of these instructions, be converted into an amount of carry-over penalty free cotton and an amount of carry-over penalty cotton at the penalty rate applicable to cotton of the current crop. The carry-over penalty free cotton resulting from the conversion and the carry-over penalty free cotton which the producer has on hand without the conversion shall be added together and thereafter will constitute the carry-over penalty free cotton which the producer has on hand. The amount of carry-over penalty cotton resulting from the conversion and the amount of carry-over penalty cotton not effected by the conversion shall be added together and thereafter will constitute the carry-over penalty cotton which the producer has on hand. In each case where the producer has on hand carry-over penalty cotton or is otherwise not eligible to receive a white marketing card, a representative of the county office shall determine the amount of carry-over cotton by actual inspection or by examination of warehouse receipts or loan agreements and shall make a memorandum in connection therewith showing the time of the inspection or examination, the place at which the cotton is stored, and identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for the farm. If an inspection of the cotton was made in connection with a farm operator's report on Form 417 for the preceding marketing year, an additional inspection is not required. The weight of each bale of such cotton shall be taken from the ginner's report or from warehouse receipts or loan agreements and the amount of lint in seed cotton shall be estimated. The weight of the bales as so determined shall not thereafter be changed or altered because of subsequent developments tending to show a different weight. In case a producer is engaged in

the production of cotton on only one farm, the carry-over cotton shall be marketed in connection with that farm. In case a producer is engaged in the production of cotton on more than one farm and the producer has carry-over cotton, he shall designate in writing one or more of such farms in connection with which the carry-over cotton is to be marketed and thereafter the designation of the farm for this purpose shall be final and not subject to change. In the event the producer fails or refuses to designate the farm or farms in connection with which the carry-over cotton will be marketed, the county committee shall designate the farm or farms for this purpose and the designation so made shall be final and conclusive unless, within fifteen days after the mailing of the notice of the designation to the producer, the producer designates in writing a different farm or farms in connection with which the carry-over cotton will be marketed. The designation, or notice of the designation, shall be filed in the folder for the farm. The amount of carry-over cotton for the farm shall be recorded on Form 450 or 450-A as provided in Part IV of these instructions.

Sec. 207 Multiple farms. A multiple farm producer shall not be issued either a white marketing card or a red marketing card until it is determined whether any of the conditions enumerated in Sec. 204 are applicable to any farm in the county in which he has an interest as a cotton producer. If conditions numbers 1, 2, 8, 9, and 10 are applicable to any one or more of the multiple farms, the multiple farm producer is not eligible to receive a white marketing card for any farm in which he has an interest and the multiple farm producer and all other producers on the farms to which conditions numbers 1, 2, 8, 9, and 10 are applicable shall be issued red marketing cards with respect thereto. No marketing card shall be issued to the multiple farm producer for a farm to which condition number 3 is applicable unless he designates carry-over penalty cotton to be marketed in connection therewith. In the latter event, a red marketing card shall be issued to him for the farm. The county committee shall determine whether condition number 4 or condition number 5 shall be applied to any farm to which conditions numbers 1, 2, 8, 9, and 10 are not applicable. If condition number 4 is applicable the producers on the farm, other than the multiple farm producer, may receive white marketing cards if they are otherwise eligible and no marketing card shall be issued to the multiple farm producer for the farm unless, at his request, a red marketing card is issued to him for the farm. If condition number 6 is applicable, red marketing cards shall be issued to or for the multiple farm producer and all other producers on the farm. Condition number 4 should be applied if the multiple farm producer does not participate directly in the management or control of the farm and receives merely a proportionate share of the cotton produced thereon or the proceeds of a proportionate share therein. Condition number 6 should be applied in all other cases. Condition number 5 or condition number 7 shall be applied in lieu of condition number 4 or condition number 6, respectively, when the farms in which the multiple farm producer has an interest are in adjoining counties or different counties and the county boundary lines are inadequate guides in separating the activities of the producer with respect to the farms insofar as the marketing quota provisions are concerned.

Sec. 208 Producers to whom red marketing cards rather than white marketing cards are issued to enforce the Act. Whenever the county committee finds or has reason to believe that any white marketing card to be issued to

a producer might be used inadvertently or by design to prevent the proper identification of cotton, at the time it is marketed, as subject to or not subject to marketing penalties, the county committee may, in accordance with condition number 8 of Sec. 204, issue a red marketing card to the producer instead of the white marketing card. This condition applies, for instance, but not exclusively, to cases where (1) a producer apparently used a white marketing card for a previous marketing year to identify cotton which would otherwise have been marketed subject to penalty by another producer or himself or otherwise used the white marketing card so issued in an attempt to evade the provisions of the Act or regulations for the marketing year, or (2) where a producer who would otherwise be eligible to receive a white marketing card is so closely connected with or related to a producer on an overplanted farm or who has carry-over penalty cotton that the issuance of a red marketing card to both producers in view of their connection is necessary in order to enforce the provisions of the Act. Any determination made by the county committee under this section shall be in writing and a copy of it shall be filed in the folder for the farm.

Sec. 209 Instructions to buyers in connection with marketing cards and certificates. Under no circumstances shall the county committee furnish persons engaged in the business of buying cotton in the county a list or memorandum of the serial numbers of marketing cards issued to producers or a list or memorandum of the serial numbers of farms ineligible to receive white marketing cards. Prior to the beginning of the marketing season in each county, the county committee or the State committee shall mail or deliver to each buyer in the county or in the State a copy of the marketing quota regulations, a copy of Part VIII of these instructions, a sample copy of Form 520, a book of five sets of Form 530, and a letter of explanation. The letter of explanation should state briefly the duties of the buyer under the regulations by directing his attention to the following items:

1. That, on the records ordinarily kept by him, he is required to keep a record of the information specified in section 802(b) of the regulations and that, although Form 520 will be furnished to him for the purpose of keeping the records, if he so requests, it is preferred that he make no change in his regular record keeping system other than may be necessary to record some required information which he did not previously keep on his accounts, ledgers, or other business records.

2. That he should examine the marketing card issued to the producer or person whenever he buys cotton and enter the marketing card serial number on the records required to be kept pursuant to section 802(b) of the regulations.

3. That, if the producer or person does not present a marketing card when the cotton is marketed, the buyer must make a report on Form 530 in connection with the transaction and remit the penalty on the cotton and that additional sets of Form 530 for this purpose will be mailed or delivered to him by the county committee at his request.

4. That, if the marketing card or certificate serial number does not appear on the records required to be kept pursuant to section 802(b) of the

regulations, it shall be presumed that the cotton was not identified by a marketing card or certificate when the buyer purchased it.

Sec. 210 Issuing Forms 530. Forms 530 are printed in books of five sets prepared in triplicate with inserted carbons and will be issued to buyers to be used by them in making reports on cotton not identified, when marketed, by a marketing card or certificate. The full mail address of the treasurer of the county committee shall be stamped on the address side of each postal card copy of Form 530 before it is issued to a buyer and a record of the issuance of each book of Forms 530 shall be kept on Form 614 prepared as follows:

1. In the spaces provided enter the State and county code numbers, the marketing year, the page number, and, following the words "Forms Cotton", the legend "530".

2. In column B enter the name of the buyer and his address.

3. In column C enter the serial number of the first Form 530 in the book to be issued to the buyer, followed by a hyphen and the last digit of the serial number of the last Form 530 in the book.

4. It is not necessary for the buyer to sign the Form 614 as a receipt for the Forms 530.

B. WHITE MARKETING CARDS

Sec. 211 Issuing white marketing cards. (a) Allocation or white marketing cards on Form 614. White marketing cards shall be allocated on Form 614 to the operator of each farm in the county for which a cotton acreage allotment and normal yield per acre of lint cotton have been established. The county committee shall have Form 614 prepared as follows:

1. Form 614 shall be prepared in the original only.

2. In the spaces indicated enter the State and county code numbers, the marketing year, the page numbers, and, following the words "Forms Cotton", the legend "511".

3. The information and data for each farm for which a cotton acreage allotment and normal yield per acre of lint cotton were established shall be entered in the numerical order of the farm serial numbers within the county. The entries for each farm shall be made on a separate line. In the Western Region, list the farms alphabetically by farm operators.

4. In column A enter the serial number of the farm.

5. In column B enter the name of the operator of the farm. In the Western Region, enter below the name of the farm operator the name of each producer on the farm.

6. In column C enter in numerical order the serial numbers of the white marketing cards, beginning with the first serial number of the white marketing cards consigned to the county.

7. Forms 614 shall be placed in a binder and retained in the county office.

(b) Preparation of white marketing cards. Upon completing the allocation, as outlined above, the white marketing card for each farm shall be prepared by entering in the spaces provided the following:

1. The names of the State and county, the State and county code numbers, and the farm serial number.

2. The description or location of the farm. This information is necessary only in cases where the operator for whom the card is being prepared has an interest in more than one farm.

3. The name and full mail address of the operator of the farm.

4. The word "Same" in the space provided for the name and address of the producer to whom issued.

5. The white marketing card shall not be executed, that is, signed by a member of the county committee, at this time.

6. Enter in the space provided on the receipt portion of the card the name of the operator of the farm for which the card is allocated.

(c) Preparation of Form 522, "Record of Cotton Producer". Form 522 shall be prepared for each farm for which a white marketing card is allocated by entering in the spaces provided the following:

1. The marketing year.

2. The names of the county and State.

3. The farm serial number.

4. The name of the farm operator as it appears in column B of Form 614.

5. The description or location of the farm. This information is necessary only in cases where the operator for whom Form 522 is prepared is interested as a cotton producer in other farms.

(d) Filing white marketing cards and Forms 522 prior to execution and delivery. White marketing cards and Forms 522 prepared in accordance with the foregoing instructions should be filed in farm serial number order so that they may be readily available for execution by a member of the county committee and delivery when it has been determined that the operator of the farm for which such forms have been prepared is eligible to receive a white marketing card. The handling of the forms by the county office and the farm operator may be facilitated if they are stapled or otherwise fastened together.

(e) Execution of white marketing cards. After it has been determined that the operator of a farm is eligible to receive a white marketing card, the card allocated to the operator, as provided in paragraph (a) of this section,

for each farm in which he has an interest shall be executed by a member of the county committee signing the card in the spaces thereon and entering the date of his signature.

(f) Allocation of white marketing cards to producers other than the farm operator. A white marketing card shall be issued to each producer, other than a farm operator, who is eligible to receive a white marketing card and requests that one be issued to him unless the county committee determines that the issuance of a card to him will not serve a useful purpose. A record of each card to be so issued shall be kept on Form 614, prepared in the original only, as follows:

1. In the spaces provided enter the State and county code numbers, the marketing year, the page number, and, after the words "Forms Cotton", the legend "511 issued to producers".
2. List the information for all producers on a particular farm on consecutive lines insofar as practicable.
3. In column A enter the farm serial number.
4. In column B enter the name of the producer to whom the white marketing card is allocated.
5. In column C enter the printed serial number of the white marketing card allocated to the producer.

(g) Preparation and execution of white marketing cards allocated to producers other than the farm operator. Enter on white marketing cards allocated to producers other than the farm operator the same information required to be entered on white marketing cards allocated to the operator, except that, instead of the word "Same", the name of the producer to whom issued shall be entered in the space provided. The white marketing cards so prepared shall be executed by a member of the county committee signing the card and entering the date of his signature.

(h) Delivery of white marketing cards. White marketing cards shall be delivered in the following manner:

1. Personal delivery. White marketing cards prepared for issuance in accordance with the foregoing instructions should be delivered directly to producers. White marketing cards may be delivered to the agent of a producer in cases where (1) the producer is a corporation or other legal entity, (2) the producer is a natural person whose business is customarily handled by an agent, and (3) the requirement that the producer call for and receive the white marketing card would impose an unreasonable hardship upon him and delivery of the white marketing card by mail cannot be accomplished. The producer or his agent shall sign his name and enter the date in the spaces provided on the card and the receipt portion thereof, and the receipt shall be detached and filed in the county office in the numerical order of the marketing card serial numbers. White marketing cards delivered to farm operators, or their agents,

shall be accompanied with the Form 522, prepared in accordance with paragraph (c) of this section, and for farms in connection with which more than 26 bales will be ginned or more than 16 lots of seed cotton will be marketed, additional copies of Form 522 should be delivered to the farm operator. The county office shall, at the time of delivery, explain the purpose and necessity for the execution and submission of the operator's report. As a supplement or substitute for such verbal instructions, the county office may prepare a form letter in regard to the use of the marketing card and operator's report and deliver a copy of the letter to each farm operator or agent receiving a card.

2. Delivery by mail. If a white marketing card cannot be delivered in person to the operator or producer for whom prepared, after a reasonable effort to effect the delivery in that manner, it may be mailed to him if he executes a request therefor on Form 614-B. A copy of Form 614-B may be mailed, together with instructions for its use, to the operator or producer to whom the marketing card cannot be delivered in person. Form 614-B should be executed by the county office by filling in the information required by the blank spaces before it is mailed to the operator or producer. Upon the return of this request to the county office, the county committee shall forward the properly prepared white marketing card, after the receipt portion thereof has been detached, and Form 522, in the case of a farm operator, by mail to the operator or producer, accompanied with a brief letter explaining the purpose and execution of Form 522 and informing the producer that the marketing card is to be used by him in identifying his cotton at the time it is marketed by sale, barter, or exchange, and cautioning him to sign his name immediately in the space indicated and enter the date thereof in order to prevent the improper use of the card, since he will be held strictly accountable for its proper use. The Form 614-B shall be attached to the receipt portion of the white marketing card and the receipt filed in the manner outlined in item 1 above. If a white marketing card cannot be delivered directly to the producer, or through the mails by the use of Form 614-B, the receipt portion of the card should be detached and the marketing card forwarded to the producer by registered mail, return receipt requested. When received, the registered letter return receipt should be attached to the white marketing card receipt form. Forms 614-B will not be printed and should be prepared in the county office in the following form:

Cotton 614-B

United States Department of Agriculture
Agricultural Adjustment Administration

Page No. _____, line _____,
of Form 614.

(State and county code and farm serial number)

REQUEST FOR MARKETING CARD

I request from _____, Treasurer, _____

County Committee, form Cotton _____, serially numbered _____.

Date _____, 194__.

(Signature of producer)

(Mail address of producer)

(i) Issuing Form 411-A. Form 411-A shall, upon request of the producer, be issued by the county committee to any producer to whom a white marketing card was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee. A record of the issuance of Form 411-A shall be kept on Form 614 as follows:

1. In the spaces provided enter the State and county code numbers, the marketing year, the page number, and, following the words "Forms Cotton", the legend "411-A".

2. In column A enter the serial number of the farm.

3. In column B enter the name of the operator or producer.

4. In column C enter the serial number of the first Form 411-A in the book issued to the producer, followed by a hyphen and the last digit of the serial number of the last Form 411-A in the book.

5. In column F enter the serial number of the white marketing card issued to the operator or producer.

6. In the space indicated on each Form 411-A in the book, the treasurer of the county committee shall enter, in indelible pencil, (1) the names of the State and county and the State and county code numbers; (2) the serial number of the farm with respect to which Form 411-A is issued; (3) the marketing card serial number of the white marketing card issued to the producer; (4) the marketing year; (5) the name and full mail address of the operator or producer to whom the Form 411-A is issued; and (6) on the address side of each Form 411-A, stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of the County Agricultural Conservation Committee".

7. In item 3(a) of the instructions printed on the reverse side of the front cover of the book, the treasurer of the county committee shall delete the figure "22" and insert the figure "21" and shall delete the figure "19" and insert the figure "20".

8. The county committee shall examine Form 614 and each Form 411-A and, if found to be correct, its approval thereof shall be indicated by a member thereof signing his name on each Form 411-A in the space indicated and entering the date on which it was issued (being the date of such approval).

9. The producer shall receipt for Form 411-A by signing his name in column E of Form 614 and by entering the date of his signature in column D.

(j) Lost, destroyed, or stolen white marketing cards or Forms 411-A. In case any white marketing card or Form 411-A is lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 505 of the regulations. A copy of the notices of cancelation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed

in the folder for the farm. In case a lost, destroyed, or stolen white marketing card or Form 411-A is to be replaced, the county committee shall list the white marketing card or Form 411-A on the appropriate Form 614 for issuance in accordance with the procedure contained in the foregoing paragraphs of this section, except that:

1. The word "Duplicate" shall be stamped across the face of the newly issued white marketing card or Form 411-A.
2. The legend "Lost", "Destroyed", or "Stolen" shall be entered in column F of Form 614 opposite the entry showing the issuance of the duplicate white marketing card or Form 411-A.
3. The legend "Canceled--Lost", or "Canceled--Destroyed", or "Canceled--Stolen" shall be entered in column F of Form 614 opposite the serial number of the lost, destroyed, or stolen white marketing card or Form 411-A.

(k) Cancellation of white marketing cards or Forms 411-A issued in error. In case any marketing card or Form 411-A is erroneously issued, the county committee shall cancel it in accordance with section 506 of the regulations. A copy of the notices of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The legend "Canceled" shall be entered on the receipt on file, in the case of a white marketing card, and in column F of Form 614 opposite the serial number of the canceled marketing card or Form 411-A. The legend "Canceled" shall be entered across the marketing card or Form 411-A that is canceled.

C. RED MARKETING CARDS

Sec. 212 Issuing red marketing cards. (a) Conditions precedent. A red marketing card shall not be issued to any person other than a producer unless and until it is determined that he has carry-over cotton. A red marketing card shall not be issued to any producer for a farm on which cotton is not planted unless and until carry-over cotton is designated to be marketed in connection therewith. When it is determined, in accordance with Secs. 204 through 208, that the producers on a farm on which cotton is planted are not eligible to receive white marketing cards, a red marketing card shall be issued to each producer on the farm, subject to the following conditions:

1. The amount of carry-over cotton to be marketed in connection with the farm must be determined, if possible, prior to the issuance of any red marketing cards.
2. The initial producer marketing quotas must be determined prior to the issuance of any red marketing cards.
3. The intention of the producers to appoint or not to appoint the farm operator to receive a single red marketing card for the farm in trust for all producers thereon must be determined prior to the issuance of any red marketing cards.

(b) Appointment of farm operator to receive red marketing card in trust for all producers. A single red marketing card for the entire amount of the farm marketing quota may be issued to the farm operator in trust for all producers on the farm if the producers and the operator execute an agreement to that effect on Form 524 and file it with the county committee. The agreement on Form 524 shall not be recognized if (1) any producer on the farm failed or refused to enter into the agreement and execute Form 524, (2) measurements for the farm cannot be made, (3) the issuance of a single red marketing card to the operator for all producers would be inconsistent with the marketing practices followed on the farm, or (4) it is indicated that the red marketing card issued to the operator would not be used properly for each producer or that the rights of any producer would be prejudiced. The county committee should explain to the farm operator, prior to its acceptance of the agreement, the liability of the farm operator under section 502(b) of the regulations for penalties which are incurred in connection with the farm.

(c) Cancellation of white marketing cards allocated to the farm. When it is determined that red marketing cards will be issued to the producers on a farm, the white marketing card allocated to the farm operator under Sec. 211(a) shall be marked "Void", removed from the file of white marketing cards and Forms 522 established under Sec. 211(d), and placed in a separate file. The number of the condition enumerated in Sec. 204 which is applicable to the farm or producer shall be entered in column F of Form 614 on the line on which the marketing card serial number appears.

(d) Preparation and use of Form 614. Each red marketing card prepared for issuance shall be recorded on Form 614. Form 614 shall be prepared for this purpose and the red marketing cards recorded thereon as follows:

1. In the spaces provided enter the State and county code numbers, the page number of Form 614, the marketing year, and, following the words "Forms Cotton", the legend "512".

2. Tabulate on a separate line the information concerning each red marketing card. Red marketing cards and the information in connection with the issuance thereof shall be listed strictly in the numerical order of their printed serial numbers. All red marketing cards to be issued to producers on the same farm shall be listed on Form 614 on consecutive lines, insofar as practicable.

3. In column A enter the serial number of the farm or, in the case of a card issued to a person other than a producer, enter the word "None".

4. In column B enter the name of the operator or producer or other person to whom the red marketing card and the related certificates are issued.

5. In column C enter the printed serial number of the red marketing card to be issued to the operator or producer or other person.

(e) Preparation of red marketing cards. Each red marketing card shall be prepared as follows:

1. In the spaces indicated enter the serial number for the farm and the names of the State and county and the code numbers therefor.

2. On the line beneath the space for the names of the State and county and the code numbers therefor, enter a brief description of the farm if the producer for whom the card is to be issued has an interest in more than one farm, or if the county committee determines that a description of the farm is necessary.

3. In the blank space following the words "This is to certify that" enter in words the following:

a. If the red marketing card is to be issued to a producer with respect to a farm for which a farm acreage allotment and marketing quota were established, enter the sum of the amounts in columns 3 and 4 of Form 450 or 450-A for the producer, as, for example, "Two thousand". If the red marketing card is to be issued to the operator in trust for all producers on the farm, enter the sum of the amounts on line 11 of columns 3 and 4 of Form 450, or on line 4 of columns 3 and 4 of Form 450-A.

b. If the red marketing card is to be issued to a person who is not located on a farm, or who is located on a farm for which no cotton acreage allotment was established, enter the number of pounds of his carry-over penalty free cotton, not pledged to secure a Commodity Credit Corporation loan, or if he has no carry-over penalty free cotton, enter the word "None".

c. If the red marketing card is to be issued to a producer with respect to a new cotton farm for which a farm acreage allotment and marketing quota were not established, enter the word "None", or, if the producer has carry-over penalty free cotton, the amount of carry-over penalty free cotton which the producer has on hand which is not pledged to secure a Commodity Credit Corporation loan.

4. In the parentheses preceding the word "pounds", enter in figures, the amount entered pursuant to item 3 above, as, for example, "2000", or, if the word "None" was entered, the word "Zero" shall be entered in the parentheses.

5. In the space indicated print the name and full mail address of the farm operator.

6. In the space indicated print the name and full mail address of the producer or other person to whom the red marketing card will be issued. If the red marketing card is to be issued to the farm operator, enter the word "Same".

(f) Preparation of certificates accompanying red marketing cards.
Red marketing card certificates shall be prepared as follows:

1. All entries which are to be made in the county office shall be made with indelible pencil.

2. In the spaces indicated enter on each certificate (1) the farm serial number; (2) the names of the State and county and the code numbers therefor; and

(3) the name and full mail address of the producer to whom issued.

3. In item 2 of the first set of certificates in each book enter the amount of the marketing quota which is shown on the red marketing card which accompanies the book of certificates.

4. On the address side of each postal card copy of the certificates stamp the full mail address of the treasurer of the county committee beneath the words "Treasurer of County Agricultural Conservation Committee".

5. In item 6 of each set of the certificates enter, in the blank space provided within the parentheses, the rate of the penalty applicable to cotton of the current crop, and likewise enter the rate in section III, 1 (e) of the instructions printed on the cover of the book.

(g) Preparation of Forms 417. A farm operator's report on Form 417 shall be prepared and issued to the operator of each farm for which red marketing cards are issued. The Form 417 shall be prepared in the county office, prior to the time it is delivered to the farm operator, as follows:

1. In the heading of Form 417, in the spaces provided, enter (1) the farm serial number, (2) the names of the county and State, (3) a description of the farm or its location, (4) the name of the farm operator, and (5) the marketing year.

2. Form 417 shall be folded in the middle on the dividing line between Parts I and II and Parts III, IV, V, VI, and VII so that the Parts will be on the inside and the instructions for executing the form will be on the outside.

3. In section VII of the instructions printed on Form 417, delete the figure "22" for jute bagging and enter the figure "21" and delete the figure "19" for sugar bagging and enter the figure "20".

4. If the producers on the farm have carry-over cotton, the county office should offer to assist the farm operator in the execution of columns A, B, and C of Part I of Form 417 at the time it is delivered to him.

(h) Execution of red marketing cards. The county committee shall examine each red marketing card and the accompanying certificates and the Form 417 and, if found to be correct, a member thereof shall, on its behalf, sign the red marketing card in the space provided and enter the date of his signature.

(i) Delivery of red marketing cards. Red marketing cards shall be delivered in the following manner:

1. Personal delivery. Red marketing cards should be delivered directly to the person to whom issued. A red marketing card may be delivered to an agent of the producer under the circumstances outlined in item 1 of Sec. 211(h). The person whose name appears on the red marketing card, or his agent, shall receipt therefor by signing his name in column E of Form 614. In each case the person signing for the card must enter the date of his signature in the space provided.

Each person shall, upon receiving a red marketing card, countersign it by signing his name (in the style shown therein) in the space provided on the card and he shall enter the date of signing opposite his signature. A red marketing card delivered to a farm operator, or his agent, shall be accompanied with Form 417. When the red marketing card and Form 417 are delivered to the farm operator, or his agent, a member of the county committee or an employee of the county office should explain that the execution and return of the form is required; that the information reported by the operator will be compared with the reports of ginners and buyers as to production and marketings for the purpose of determining the accuracy of the county office records; and that his cooperation in keeping the required record and the submission thereof will assist the county committee in determining refunds, if any, to be made and in establishing the normal yield for the farm for programs of subsequent years.

2. Delivery by mail. If a red marketing card cannot be delivered in person to the operator or producer or other person for whom prepared, after a reasonable effort to effect the delivery in that manner, it may be mailed to him if he executes a request therefor on Form 614-B. A copy of Form 614-B may be mailed, together with instructions for its use, to the operator or producer to whom the marketing card cannot be delivered in person. Form 614-B should be executed by the county office by filling in the information required by the blank spaces (except for the signature and address of the producer or operator) before it is mailed to the operator or producer. Upon the return of this request to the county office, the red marketing card shall be forwarded by mail to the operator or producer or other person, accompanied with a brief letter informing the producer that the marketing card is to be used by him in identifying his cotton at the time it is marketed by sale, barter, or exchange, and cautioning him to sign his name immediately in the space indicated and enter the date thereof in order to prevent the improper use of the card, since he will be held strictly accountable for its proper use. The request on Form 614-B shall be attached to the proper Form 614 and a reference thereto made in column F opposite the marketing card serial number. If a marketing card cannot be delivered directly to the producer, or through the mails by the use of Form 614-B, the marketing card should be forwarded to the producer by registered mail, return receipt requested, and the return receipt attached to Form 614. In the case of a red marketing card mailed to the farm operator, the card shall be accompanied by Form 417, together with a letter explaining the purpose, execution, and submission of the form.

3. Form 417-A. If it appears, at the time red marketing cards and Forms 417 are delivered, that cotton produced on the farm or on hand in connection with the farm will be processed and marketed as an article of trade, the county committee shall deliver to the producer a Form 417-A, which shall be prepared by entering in the spaces provided the serial number of the farm, the names of the county and State, the name of the farm operator, and the marketing year. The purpose, execution, and submission of the report should be thoroughly explained to the producer and the fact that the form has been issued should be indicated to the left of the producer's name on Form 450 or 450-A in order that on March 1, or at the end of the marketing year, it may be readily determined whether the report has been filed.

(j) Issuing additional red marketing cards and increasing the amount of quota shown thereon. An additional red marketing card will be issued to a pro-

ducer when (1) the number of transactions in which he markets cotton will be in excess of the number of sets of certificates contained in the book accompanying the red marketing card, (2) his producer marketing quota is increased or, in the case of an operator to whom a red marketing card was issued for all producers, the farm marketing quota is increased, or (3) he desires to market carry-over penalty free cotton which was pledged to secure a Commodity Credit Corporation loan. Additional red marketing cards shall be prepared, executed, and delivered as otherwise provided in the foregoing paragraphs of this section, with the following exceptions:

1. The entries to be made on the red marketing card shall be whichever of the following is applicable:

a. In case the farm marketing quota is not increased and a red marketing card is issued to provide additional certificates, the number of pounds to be shown thereon shall be the same as that shown in Parts I and II of the red marketing card previously issued to the producer.

b. In case a red marketing card is issued in connection with carry-over penalty free cotton withdrawn from the Commodity Credit Corporation loan, the number of pounds to be shown thereon shall be the amount of the carry-over penalty free cotton which is being withdrawn from the loan.

c. In case the farm or producer marketing quota was increased, any additional red marketing card issued in connection therewith shall be marked "Additional", and the number of pounds to be shown in Part I of the additional red marketing card, or in Part II of a red marketing card previously issued to a producer, shall be determined as follows:

(i) In the case of a first intermediate reapportionment, the increased amount shall be the amount shown opposite the producer's name in column 12 of Form 450 or column 10 of Form 450-A. If a red marketing card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 12, of Form 450 or on line 4, column 10, of Form 450-A.

(ii) In the case of a second intermediate reapportionment, the increased amount shall be the amount shown opposite the producer's name in column 16 of Form 450 or column 11 of Form 450-A. If a red marketing card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 16, of Form 450 or on line 4, column 11, of Form 450-A.

(iii) In the case of a final reapportionment where Form 450 was used, the increased amount shall be the amount shown opposite the producer's name in column 26, or, if a red marketing card was issued in trust to the farm operator, the amount on line 11, column 26.

(iv) In the case of a final reapportionment where Form 450-A was used, the increased amount for each producer shall be the amount by which the sum of the entries in columns 12 and 14 exceeds the sum of the entries in columns 3, 10, and 11. If a red marketing card was issued in trust to the farm operator, the increased amount shall be the amount by which the sum of the entries on line 4 of columns 12 and 14 exceeds the sum of the entries on line 4 of columns 3, 10, and 11.

(v) If, as a result of the reapportionment of the producer marketing quotas, or an increase in the farm marketing quota, a refund was or will be made pursuant to section 704 of the regulations, the increase in the producer marketing quota or farm marketing quota shall be issued on the red marketing card only for the amount by which the poundage on which a refund was or will be made is less than the amount by which the producer marketing quota or farm marketing quota is increased.

(vi) If, at the time of an intermediate or final reapportionment, a producer has marketed all cotton produced by or for him, the amount by which the producer marketing quota was increased shall not be issued on the red marketing card. If all cotton was not marketed, red marketing cards for the amount by which the producer marketing quota or the farm marketing quota, as the case may be, was increased shall be issued only to the extent of the unmarketed cotton.

2. The entries to be made on the certificate accompanying the red marketing card shall be whichever of the following is applicable:

a. In case the farm marketing quota is not increased and a red marketing card is issued to provide additional certificates, the amount to be entered in item 2 of the first set of the certificates in the new book shall be the unused portion, if any, of the marketing quota, as shown on the last certificate contained in the book previously issued or, if there is no unused marketing quota, the word "None" shall be entered.

b. In case a red marketing card is issued in connection with carry-over penalty free cotton withdrawn from a Commodity Credit Corporation loan, the number of pounds to be shown in item 2 of the first set of certificates accompanying the red marketing card shall be the amount shown on the additional red marketing card.

c. In case the farm marketing quota is increased and the increased amount of the quota is entered in Part II of the red marketing card previously issued, the word "Additional" shall be entered in the heading of the first unused certificate accompanying the red marketing card and the amount of the increase as shown in Part II of the red marketing card, plus the unused portion, if any, of the quota for which the red marketing card was originally issued, shall be entered in item 2 thereof.

d. In case the farm marketing quota is increased and the increased amount of the quota is entered on an additional red marketing card, the amount of the farm or producer quota as shown on the additional red marketing card shall be entered in item 2 of the first set of certificates accompanying the red marketing card.

(k) Decreasing the marketing quota shown on red marketing cards and certificates. If the producer marketing quota of any producer to whom a red marketing card was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota, the county committee shall alter the red marketing card previously issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In item 2 of the first set of unused certificates accompanying the red marketing card, the county committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in item 3 of the certificate last executed from the amount of the producer marketing quota as decreased. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in item 2 of the first set of unused certificates. The entries so made shall be signed or initialed by a member of the county committee. If such a producer fails or refuses to have the red marketing cards and accompanying certificates so altered, the county committee shall cancel them in accordance with section 502 (b) (2) of the regulations.

(l) Lost, destroyed, or stolen red marketing cards. In case any red marketing card and the accompanying certificates are lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with section 505 of the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in the folder for the farm. The red marketing card and the book of certificates shall be reissued in accordance with the procedure contained in the foregoing paragraphs of this section, with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new red marketing card shall be the same as that shown on the lost, destroyed, or stolen card, and the word "Duplicate" shall be stamped across the face thereof.

2. In item 2 of the first set of certificates in the new book enter the unused portion, if any, of the marketing quota entered in the red marketing card. If there is no unused marketing quota the word "None" shall be entered in item 2 of the first set of certificates in the new book. In determining the amount of the unused portion of the marketing quota the county committee shall take into consideration the amount of cotton ginned and marketed by the producer as recorded on Forms 551 and 450 or 450-A together with any additional information which may be required.

3. In column F of Form 614 enter the legend "Lost", "Destroyed", or "Stolen" opposite the entry showing the issuance of the duplicate red marketing card.

4. The legend "Canceled--Lost", or "Canceled--Destroyed", or "Canceled--Stolen" shall be entered in column F of the Form 614 opposite the serial number of the lost, destroyed, or stolen red marketing card.

(m) Cancellation of red marketing cards issued in error. In case any red marketing card is erroneously issued, the county committee shall cancel it in accordance with section 506 of the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The legend "Canceled" shall be entered in column F of Form 614 opposite the serial number of the canceled red marketing card. The legend "Canceled" shall be entered across the red marketing card and each certificate accompanying it.

D. ISSUING WHITE MARKETING CARDS UNDER SPECIAL
CONDITIONS FOR FARMS ELIGIBLE TO RECEIVE RED MARKETING CARDS

Sec. 213 Penalties secured by bonds or money held in escrow. (a) Conditions under which bonds or money to be held in escrow will be accepted. A bond of indemnity or funds deposited to be held in escrow may be accepted for the following types of farms: (i) An overplanted farm for which it is estimated that a penalty will be incurred in marketing cotton from the farm, or (ii) an underplanted farm in connection with which one or more producers have carry-over penalty cotton and it is estimated that a penalty will be incurred in marketing cotton from the farm, or (iii) farms for which red marketing cards would otherwise be issued on account of long staple cotton (see also Sub-Part E hereof). A bond or funds to be held in escrow shall not be accepted for any farm if red marketing cards are or will be issued to enforce the provisions of the Act under exception number 8 of Sec. 204 of these instructions. If a bond or funds to be held in escrow are offered for a multiple farm, a separate bond or amount of funds to be held in escrow must be tendered for each farm in which any of the producers on the farm have an interest. A bond or funds to be held in escrow shall not be accepted until after the notice of the farm marketing quota is mailed to the operator and received by him. An agreement on Form 524 that the white marketing card shall be issued to the operator in trust for all producers on the farm must be on file in the county office. The bond or funds to be held in escrow must be tendered prior to the time any cotton is marketed from the farm and prior to the time the total amount of cotton produced on the farm is determined. If it is not so tendered, it shall not be accepted. A bond or funds to be held in escrow are intended to secure the payment of a contingent penalty, the amount of which is yet to be ascertained. In no event shall a bond or funds to be held in escrow be accepted for any farm if the county committee determines, in view of the circumstances, that the acceptance thereof is not justifiable or would not adequately secure the payment of the penalties of the bond or funds to be held in escrow are not tendered in good faith. In any case where the State committee finds that the furnishing of a bond of indemnity or funds to be held in escrow will be used as a device to evade the collection of penalties, the bond or funds shall not be accepted.

(b) Qualifications of the principal or person who deposits funds in escrow. The principal under the bond of indemnity or the person who tenders

the funds to be held in escrow must be the owner or operator of the farm. He must also be of good character and reputation in the community in which he resides and, in the opinion of the county committee, financially able to answer for the amount of the penalties. The county committee must explain to him the fact that the bond is to be given only for the purpose of deferring the collection of the penalty until the time for filing the farm operator's report on Form 417 and that, if he does not forthwith pay the penalties at that time, the sureties will be required to pay the amounts incurred.

(c) Qualifications of sureties. Each surety under a bond of indemnity shall be an owner of unencumbered real property situated within the county which is not exempt from execution and, in addition, shall, in the opinion of the county committee, be financially able to answer for the amount of the penalties. In considering whether the surety is financially able to answer for the amount of the penalties, the county committee should determine whether he is or will be eligible to receive payments under the various programs. It is not essential that he be eligible to receive such payments but, if he is not eligible, his financial position should be examined with even greater care. Neither a producer on the farm nor an employee of the county agricultural conservation association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. The county committee must explain to each surety that the penalties incurred must be paid within fifteen days after all cotton is marketed and that, if all cotton is not marketed on or before March 1, 1942, the penalties incurred as of that date must be paid on that date, either by them or by the principal. It must also be explained that, if all cotton is not marketed by August 1, 1942, the penalties will likewise be due and payable on that date.

(d) Estimating the penalty secured and amount of bond or funds in escrow. The county committee shall have the yield of the cotton crop appraised after bolls are formed. The number of pounds of lint cotton estimated to be produced on the farm in excess of the farm marketing quota, including all varieties of long staple cotton, shall be the result obtained by subtracting from the total estimated production the amount of the normal production of the farm acreage allotment, as shown on line 11, column 3, of Form 450 or in the heading of column 3 of Form 450-A. The amount of the bond or funds in escrow shall not be less than the amount determined by multiplying the number of pounds so estimated to be produced in excess of the farm marketing quota, plus the number of pounds of carry-over penalty cotton designated to be marketed in connection with the farm, by the rate of the marketing penalty applicable to cotton of the current crop. If the farm is an underplanted farm, only the carry-over penalty cotton shall be considered in estimating the penalty. In each case the estimated amount of the penalty should be high enough to afford protection against errors in estimating production and to provide for unforeseen contingencies. A memorandum showing the basis for determining the amount of the estimated penalty shall be filed in the farm folder and signed and dated by the member of the county committee who approved the bond and who conducted or supervised all investigations and discussions in connection with the acceptance of the bond or funds in escrow. The memorandum must state in detail each factor required to be considered in estimating the penalty.

(e) Placing funds in escrow. Any funds delivered by the owner or operator of the farm to be held in escrow shall be only in legal tender or in the form of a cashier's check or money order drawn payable to the order of the Treasurer of the United States. The funds so received shall be handled as outlined in Part V of these instructions.

(f) Execution of bond. The county committee shall verify the sufficiency and form of the bond of indemnity and indicate its approval thereof as follows:

1. In the spaces provided enter the State and county code and farm serial number.

2. Determine that, in the spaces provided,

(i) The name of the owner or operator of the farm appears as principal;

(ii) The names of the county and State are entered;

(iii) The names of the two sureties are entered;

(iv) The amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;

(v) The date and place of execution are properly shown;

(vi) The amount of cotton estimated to be produced in excess of the farm marketing quota is entered;

(vii) The amount of carry-over penalty cotton is entered;

(viii) The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered in the body of the bond;

(ix) The signature and addresses of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided; and

(x) The "Justification of Sureties" has been completed and executed and acknowledged before a proper officer.

3. If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient and the principal is qualified, the "Certificate of County Committee" shall be executed by a member of the committee.

4. The original shall be delivered to the treasurer of the county committee, one copy retained by the principal, and one copy retained by each of the sureties.

(g) Cancellation of red marketing card previously issued. If red marketing cards were issued to producers on the farm prior to the execution of the bond or the deposition of the funds to be held in escrow, the red marketing cards must be returned to the county committee prior to the time the white marketing card for the farm is issued. Each red marketing card shall be canceled by stamping across the face thereof in bold letters the legend "Canceled" and the same legend shall be so stamped or endorsed on each set of certificates in the book accompanying it. In column F of Form 614 on the same line with the serial number of the red marketing card enter the legend "Bond" or "Escrow", as the case may be. The canceled red marketing cards and certificates shall be filed in the folder for the farm.

(h) Issuing white marketing cards. After the bond of indemnity has been approved or after the funds tendered to be held in escrow have been scheduled for deposit in accordance with Part V of these instructions and any red marketing cards previously issued have been canceled, the county committee shall issue a white marketing card only to the operator of the farm in accordance with Sec. 211, except that:-

1. There must be on file in the county office an agreement on Form 524, executed by all producers on the farm, to the effect that the white marketing card shall be issued only to the operator of the farm to be used in trust by him for all producers.

2. The words "Penalty secured" must be stamped across the face of the white marketing card.

3. The words "Bond" or "Escrow", as the case may be, shall be entered in column F of Form 614.

4. A Form 417, prepared as outlined in Sec. 212(g) and, if necessary, a Form 417-A, prepared as outlined in Sec. 212(i), shall be delivered to the operator at the time the white marketing card is delivered to him.

Sec. 214. Farms producing 1,000 pounds or less. (a) Amount of penalties. The penalty does not apply to the marketing of cotton produced on a farm for which a cotton acreage allotment was established if the total production of lint cotton in the current year on the farm does not exceed 1,000 pounds. This exemption is not applicable to carry-over penalty cotton designated to be marketed in connection with the farm. Where there is a variation between the gin weight and the marketing weight of the cotton produced on a farm so that one weight is more than 1,000 pounds and the other weight is less than or equal to 1,000 pounds and the two weights are bona fide and not the result of a scheme to evade the payment of penalties, the farm shall be considered to have produced 1,000 pounds and such cotton will not be subject to penalty. The exemption from the penalty does not alter the amount of the farm marketing quota. The exemption means that penalties shall not apply to cotton of the current crop which is marketed in excess of the farm marketing quota if the total production on the farm was 1,000 or less.

(b) Issuing marketing cards. Marketing cards are required to be issued to producers on a farm prior to the time the total production therein is known.

White marketing cards and red marketing cards will consequently be issued as in other cases to farms on which the production does not exceed 1,000 pounds. A white marketing card may be issued to or for producers on an overplanted farm if (1) the actual or estimated production does not exceed 1,000 pounds of lint cotton, (2) no producer on the farm has any carry-over penalty cotton, (3) a cotton acreage allotment was established for the farm, and (4) any red marketing card previously issued to or for the producers on the farm are returned to the county office and canceled. A white marketing card under such circumstances should not be issued if there is a possibility that the current crop will exceed 1,000 pounds of lint cotton. The white marketing card issued under such conditions shall be prepared and delivered to the producer in accordance with Sec. 211 of these instructions, with the following exceptions:

1. The legend "One thousand pounds" shall be entered in column F of Form 614 for the white marketing card so issued.
2. The legend "One thousand pounds" shall be stamped across the face of the white marketing card.
3. The farm operator's report on Form 417, prepared as outlined in Sec. 212(g) and, if necessary, a Form 417-A, prepared as outlined in Sec. 212(i), shall be delivered to the operator of the farm at the time the white marketing card is issued to him.

E. LONG STAPLE COTTON

Sec. 215 Issuing marketing cards, certificates, and farm operator's reports for farms on which long staple cotton is planted. (a) General. The penalty does not apply to the marketing of cotton the staple of which is 1-1/2 inches or more in length. The staple length of cotton cannot be determined accurately or finally until the cotton is ginned. Since the marketing quota provisions affect the handling of long staple cotton prior to the time it is ginned and classified as to staple length, it is necessary to require certain records and reports in order to determine whether the cotton qualifies for the exemption. The records and reports are designed to give recognition to known qualities of certain varieties of such cotton when grown in certain areas. Accordingly there have been designated certain so-called long staple areas. These are areas in which the production of Sea Island and American-Egyptian cotton is an established business and in which roller gin stands are readily accessible to producers. In areas so designated, cotton produced from a pure strain of the varieties aforesaid on a farm for which white marketing cards not marked "Penalty secured" are issued shall be presumed to be cotton the staple of which is 1-1/2 inches or more in length. This presumption is likewise applicable in designated and undesignated areas to cotton produced from a pure strain of Sea Island or American-Egyptian seed, provided (1) there is presented to the county committee of the county in which such cotton is produced a certificate on Form 527, executed by the buyer or transferee and the producer, to the effect that such cotton staples or will staple, when ginned on a roller gin, 1-1/2 inches or more in length, and (2) such cotton is reported by the ginner as having been ginned on a roller gin. All other cotton, that is, cotton produced from seed other than a pure strain of Sea Island or American-Egyptian cotton seed, wherever grown,

shall be presumed to be cotton the staple of which is less than 1-1/2 inches in length unless and until there is presented to the treasurer of the county committee of the county in which the cotton is produced (a) a Form 1 or Form A, issued and executed by the Board of Cotton Examiners, to the effect that the staple of such cotton is 1-1/2 inches or more in length, or (b) a certificate on Form 521, executed by the buyer or transferee and the producer, to the effect that such cotton was identified when marketed by such a Form 1 or a Form A.

(b) Eligibility of farms for marketing cards. In issuing marketing cards for any farm on which a variety of long staple cotton seed has been planted, the following situations should be examined and compared with the facts for the farm in question:

1. For a farm on which the acreage planted to all varieties of cotton, including pure strains of Sea Island or American-Egyptian cotton, does not exceed the farm cotton acreage allotment, whether in a designated or undesignated area, white marketing cards may be issued unless one or more producers on the farm have carry-over penalty cotton.

2. For a farm on which the acreage planted to short staple cotton is not in excess of the cotton acreage allotment but the combined acreages planted to short and long staple cotton exceeds the cotton acreage allotment:

a. In designated areas white marketing cards may be issued provided (i) no producer on the farm has carry-over penalty cotton and (ii) the county committee determines, in accordance with instructions, that all of the acreage planted in excess of the allotment was planted to pure strains of Sea Island or American-Egyptian cotton seed.

b. In undesignated areas red marketing cards will be issued with respect to the farm. If, and only if, the county committee determines, in accordance with instructions, that a pure strain of Sea Island or American-Egyptian cotton seed was planted, Form 527 will be issued to the producers having an interest in the acreage planted to such seed. The red marketing card will be used to market all cotton other than cotton produced from the pure strain of Sea Island or American-Egyptian cotton seed. The Sea Island or American-Egyptian cotton will be marketed by use of the Form 527, which will be executed by the buyer or transferee and the producer, whether the cotton is sold in the seed or is sold after ginning.

3. For a farm on which the acreage planted to short staple cotton, including so-called long staple varieties which are not determined to be pure strains of Sea Island or American-Egyptian cotton, exceeds the cotton acreage allotment, whether in a designated or undesignated area, red marketing cards will be issued with respect to the farm, and such cards will be used to market all cotton except that which is classified by the Board of Cotton Examiners, as evidenced by Form 1 or Form A, to be 1-1/2 inches or more in length.

4. For a farm on which the acreage planted to short staple cotton exceeds the cotton acreage allotment and additional acreage has been planted to a pure strain of Sea Island or American-Egyptain cotton seed, whether in a designated or undesignated area, red marketing cards will be issued with respect to the farm. Also, Form 527 will be issued to the producers having an interest in the acreage planted to pure strains of Sea Island or American-Egyptain cotton seed. The cotton produced on such acreage will be marketed by use of the Form 527 in the same manner as described above in item 2 b.

5. For a farm on which the acreage planted to short staple cotton does not exceed the cotton acreage allotment and on which an additional acreage has been planted to a pure strain of Sea Island or American-Egyptain cotton and one or more producers have carry-over penalty cotton, whether in a designated or undesignated area, red marketing cards and Form 527 will be issued and used in the same manner as described above in item 2 b.

6. For a farm in connection with which red marketing cards are to be issued under any of the above situations and, in lieu of the red marketing cards, the producers desire to obtain a white marketing card marked "Penalty secured", whether in a designated or undesignated area, a white marketing card marked "Penalty secured" may be issued provided the estimated penalties are secured by filing a bond of indemnity or by depositing funds in escrow in the manner and under the conditions set forth in Sec. 213. If a pure strain of Sea Island or American-Egyptian cotton is planted, Form 527 will also be issued to the producers for use in the manner described above in item 2 b.

7. For a farm in a designated or undesignated area on which long staple cotton is planted, the conditions numbered 4, 5, 6, 7, 8, 9, and 10 of Sec. 204 shall, in addition to the foregoing provisions, be considered and applied in determining whether red marketing cards or white marketing cards will be issued.

(c) Preparation and execution of marketing cards. White marketing cards issued under this section shall be prepared and executed as outlined in Sec. 211. Red marketing cards issued under this section shall be prepared and executed as outlined in Sec. 212. White marketing cards, where bonds or funds to be held in escrow are tendered, shall be prepared and executed as outlined in Sec. 213.

(d) Issuance of Forms 521. Forms 521 will be issued to any producer at his request to be used in reporting to the county office the marketing of cotton which was classified by the Board of Cotton Examiners, as evidenced by Forms 1 or Forms A, to be 1-1/2 inches or more in staple length. Form 521 will be prepared by (1) entering in the spaces provided in the heading of the form the State and county code and farm serial number and the marketing year, and (2) stamping the address of the treasurer of the county committee on the address side of Form 521-b.

(e) Preparation of Form 527. Forms 527 to be issued under the situations outlined in paragraph (b) of this section shall be listed in consecutive serial number order on a separate Form 614 and in column F there shall be entered the words "Pure strain" and the date on which it was determined by the county

committee that a pure strain of Sea Island or American-Egyptian seed was planted on the farm for which Form 527 is issued. Forms 527 shall be prepared in the following manner for delivery to the producer at the time the red marketing card or white marketing card marked "Penalty secured" is delivered to him:

1. In the spaces provided in the heading of the form enter (1) the State and county code and farm serial number of the farm on which the cotton to be marketed was produced and (2) the marketing year.
2. In the spaces provided beneath the title of the form enter the name and address of the farm operator, and, if issued to a producer other than the operator, enter also the name and address of such producer.
3. In Part I enter the date on which the Form 527 is issued to the producer.
4. Stamp the address of the treasurer of the county committee on the address side of each Form 527-b.

(f) Delivery of marketing cards, certificates, and farm operator's reports. Marketing cards and certificates and the farm operator's reports for farms on which long staple cotton is planted shall be delivered as follows:

1. White marketing cards shall be delivered in the same manner as that prescribed in Sec. 211(h). At the same time the operator shall be given the Form 522 prepared for the farm under Sec. 211(c) and instructed to report on such form the information required with respect to the ginning and marketing of cotton other than long staple cotton. The words "Short staple cotton" should be entered in the heading of the form. There shall also be delivered to the operator a Form 522 prepared in accordance with Sec. 211(c), on which the words "Long staple cotton" have been entered in the heading of the form and he should be advised to keep a separate record on the form for the ginning and marketing of long staple cotton.

2. Red marketing cards and white marketing cards marked "Penalty secured" shall be delivered to producers, or to the farm operator, in the manner outlined, respectively, in Secs. 212(i) and 213(h), and, at the same time, the operator shall be given a Form 417 and, if necessary, a Form 417-A prepared for short staple cotton, a Form 417 and, if necessary, a Form 417-A prepared for long staple cotton, and instructions covering the execution and submission of such forms. A supply of Forms 521 and 527 shall also be delivered to the producer as follows:

a. If the county committee determines that a pure strain of Sea Island or American-Egyptian cotton seed was planted on the farm, a number of Forms 527 prepared for the producer, as outlined in paragraph (e) of this section, shall be delivered to him with the red marketing card or white marketing card marked "Penalty secured". The producer should be advised, by verbal or written instructions, as to the manner in which he should market the cotton of the current

crop or cotton on hand from previous crops. Such instructions should include the following:

(i) The red marketing card or white marketing card marked "Penalty secured" will be used to market all cotton other than cotton produced from the pure strain of Sea Island or American-Egyptian cotton seed.

(ii) Sea Island or American-Egyptian cotton, whether marketed in the seed or as lint cotton, will be marketed by the use of Form 527.

(iii) Form 527 must be executed by the buyer or transferee and the producer, who certify thereon to the effect that the cotton staples, or will staple when ginned on a roller gin, 1-1/2 inches or more in length and that the cotton has been or will be ginned on a roller gin.

(iv) If Form 527 is executed by the buyer or transferee and the producer, and the postal card copy (Form 527-b) received by the county office is confirmed by comparison with the long staple report for a roller gin, the cotton covered by the report will be exempt from the marketing quota provisions. If Form 527 is not received with respect to long staple cotton, such cotton will be considered as cotton having a staple of less than 1-1/2 inches in length and will not be exempt from the marketing quota provisions.

(v) A certificate from a cotton classifier as to the staple length of cotton is not required in addition to the report on Form 527.

b. If the county committee determines that the acreage planted to long staple cotton was not planted with a pure strain of Sea Island or American-Egyptian cotton seed, a number of Forms 521, prepared pursuant to paragraph (d) of this section, sufficient to meet the producer's requirements shall be delivered to him. The producer should be advised, by verbal or written instructions, as to the manner in which he should market the cotton of the current crop produced on the farm or cotton on hand from previous crops. Such instructions should include the following:

(i) The red marketing card or white marketing card marked "Penalty secured" will be used to market all cotton except that which, according to classification by the Board of Cotton Examiners, is 1-1/2 inches or more in length.

(ii) If the producer believes any cotton produced by him will staple 1-1/2 inches or more in length, he should send samples of such cotton to the Board of Cotton Examiners for classification. The Boards which offer

classification services for long staple cotton are the following:

Board of Cotton Examiners,
441 West Peachtree Street, N. E.,
Atlanta, Georgia.

Board of Cotton Examiners,
1111 Falls Building,
Memphis, Tennessee.

Board of Cotton Examiners,
517 U. S. Court House
El Paso, Texas.

(iii) If the Board of Cotton Examiners certifies on Form 1, "Cotton Classification Memorandum", or on Form A, "Sample Cotton Classification Memorandum", that the cotton staples 1-1/2 inches or more in length, such cotton will be exempt from the marketing quota penalties and should not be marketed by use of the red marketing card issued to the producer.

(iv) When the cotton for which Form 1 or Form A has been received is marketed, Form 1 or Form A should be presented by the producer to the buyer or transferee. Form 521 should be executed at this time by the producer and buyer or transferee, who will certify thereon to the effect that the cotton was identified by the Form 1 or Form A.

(v) The buyer or transferee shall forward the postal card copy of Form 521 to the county office and the report thereon will establish that the cotton is not subject to penalty. If the postal card copy is not received by the county office, the cotton marketed in the particular transaction will be subject to the marketing quota provisions.

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